

The complaint

Miss B complains that Salad Finance Limited irresponsibly lent to her.

What happened

Miss B was approved for a Salad loan in January 2025 for £1,200, with repayments over 18 months. Miss B says this was irresponsibly lent to her. Miss B made a complaint to Salad, who did not uphold her complaint. Salad said that they used open banking, and they believed their lending decision was sound, and that their checks were proportionate. Miss B brought her complaint to our service.

Our investigator did not uphold Miss B's complaint. She said although Salad should have completed further checks, the further checks would have shown the lending would be affordable for Miss B.

Miss B asked for an ombudsman to review the complaint. She made a number of points. In summary, she said that Salad shouldn't have offered her credit given her high level of existing debt (she said she had around £5,000 in credit card debt, she was mostly making her minimum repayment, and her accounts were either close to, or were at their credit limit). Miss B said there were payments Salad could see to debt enforcement agencies, and her debt to her energy supplier (almost £5,000).

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Miss B has made a number of points to this service, and I've considered and read everything she's sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of her complaint in deciding what's fair and reasonable here.

Before agreeing to approve the credit available to Miss B, Salad needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks Salad have done and whether I'm persuaded these checks were proportionate.

I have considered that Salad didn't request Miss B's credit file as part of their checks. But this doesn't automatically mean that their checks weren't proportionate. I say this because Salad's checks did include seeing what repayments Miss B was paying towards her existing debt. As they used open banking as part of their checks, they would also be able to see payments to Debt Collection Agencies (DCA's) which could indicate that Miss B has previously defaulted on an agreement.

Salad did complete other checks such as bankruptcy, County Court Judgement (CCJ), and

Individual Voluntary Arrangement (IVA) checks. There were two CCJ's showing, with the last one being registered over two years prior to the Salad loan being approved.

It may help to explain here that, while information like a default or a CCJ on someone's credit file may often mean they're not granted further credit – it doesn't automatically mean that a lender won't offer borrowing. So I've looked at what else Salad's information showed them, to see if they made a fair lending decision to accept Miss B's application.

As part of open banking, Salad were able to see Miss B's account activity for the three months prior to the loan application. So I do think Salad had a number of checks in place to assess Miss B's affordability. I've detailed below what the checks showed, and whether I'm persuaded that Salad made a fair lending decision to approve the initial loan for Miss B.

Salad's checks showed that Miss B was not bankrupt, and she had no IVA's showing. I've reviewed Miss B's open banking that Salad would have seen. There were no overdraft charges incurred, or any returned payments that I could locate. Miss B was earning £2,811.64 a month.

I've considered what Miss B has said about owing her energy supplier money, but Salad would not be aware of this. They would have seen that she made a payment to an energy supplier on both 1 October 2024 (£300), and 30 October 2024 (£200). It would not be unusual for someone to pay quarterly for their energy and to pay for gas and electricity separate, so I'm not persuaded that this should have prompted further checks.

I've also considered what Miss B has said about the level of debt she had. But Salad would have been able to see the repayments Miss B was making to service her debt. The most important point here, is whether Miss B had the affordability and sustainability to make repayments for the new monthly repayments of the Salad loan.

Miss B made a number of transactions each month for non-priority expenditure which far exceeded the new monthly repayment for the Salad loan. So after Miss B's priority expenditure was paid, I'm satisfied that she had enough disposable income to be able to sustainably afford the repayments to the new Salad loan, without causing herself any financial difficulty, or the need to borrow further to meet the repayments. Therefore, I'm persuaded that Salad's checks were proportionate, and they made a fair lending decision.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I can't conclude that Salad lent irresponsibly to Miss B or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 14 May 2026.

Gregory Sloanes
Ombudsman